

BUDGET RECONCILIATION PLAN HARDLY REVOLUTIONARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, last week, Congress passed an historical budget reconciliation plan—a plan that our Republican colleagues call revolutionary.

A revolution, however, involves more than change—a revolution involves change for the better, forward motion, progress. There is great doubt in my mind, and the minds of many of my constituents, that we are progressing.

While, the deed has been done, and the plan has passed, we are now in conference with the Senate, and there is still time to undo some of the damage from that plan.

If the damage is not undone, we will be left with no choice except to urge the President to veto the bill.

This evening, I want to again highlight the great harm that the Republican plan will do to rural America in the area of health care—because past pleas have been largely ignored.

Rural North Carolina, including my congressional district, like most of rural America, will be especially hard hit by these cuts.

Rural communities lack high paying jobs, often lack the infrastructure necessary for economic expansion and, on average, have incomes far below the average American. Rural communities will hurt more from the cuts.

The lack of basic resources and opportunities, such as employment, housing, education, and utility services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professionals, especially primary and family physicians.

The Republicans seem to want senior citizens to have health care that is cheaper.

Democrats want senior citizens to have health care that is better.

Cheaper and better are not the same. You get what you pay for.

They want to cut corners. We want to cut with conscience.

The Republicans want to put seniors in groups and choose doctors for them, because it's cheaper.

Democrats want seniors to choose their own Health Plan or doctors, because it's better.

Under the Republican plan, many seniors in rural North Carolina will be forced to travel many more miles to find a hospital, because it's cheaper.

Democrats want to prevent rural hospitals from closing because of cuts in Medicare, because it's better.

Cheaper could cost less, it could also cost more, but it could cost lives.

Why are the Republicans pushing a cheaper health care plan?

Because they are also pushing an expensive tax cut plan for wealthy Americans.

They have voted to cut the Medicare Program by \$270 billion so that they

can pay for a tax cut program of \$245 billion.

If the Republicans dropped their expensive tax cut plan for the wealthy, they would not have to push their cheaper health care plan for seniors.

Citizens of Rural America have incomes that are 33 percent—yes, one third—lower than their urban counterparts.

The elderly who live in rural areas are 60 percent more likely to live in poverty—60 percent.

Twenty-five percent of rural hospitals already operate at a loss, and that is because Medicare alone accounts for almost 40 percent of the average hospital's net patient revenue.

It is estimated that this plan will cost North Carolinians a loss of over \$3,000 for each Medicare recipient in North Carolina between now and the year 2002, and a loss of some \$900 for each recipient each year thereafter.

This cut in Medicare will reduce the size of the program by 25 percent—raising the cost of premiums and copayments to each of North Carolina's 999,000 Medicare beneficiaries.

And, when the Medicare cuts are combined with the cuts in the Medicaid Program, Federal health care dollars coming into North Carolina will be reduced by more than \$15 billion.

The Medicaid cuts affect North Carolinians of all ages—the elderly, children, the disabled, the poor.

There are some 985,000 Medicaid recipients in our State. We would be forced to eliminate coverage for almost half of those Medicaid recipients.

The Medicare cuts will be especially painful, since more than 8 out of 10 of all Medicare benefits go to senior citizens with incomes of \$25,000 or less.

Those who are pushing this cheaper plan fought the creation of Medicare in 1965, and now, in 1995, have voted to do what they failed to do in 1965—cut the comfort of retirement from our senior citizens.

Medicare spending in the rural areas of North Carolina will be cut by \$3.3 billion—a 20 percent cut in the year 2002 alone.

Worse, rural North Carolina will lose some of the limited number of hospitals we have.

Because of poverty, rural hospitals lose money on Medicare, while urban hospitals make a small profit.

The typical rural hospital, under the Republican's plan, will lose some \$5 million in Medicare funding, over 7 years.

Rural hospitals already need 5,084 more primary care physicians to have the same doctor to population ratio as the Nation as a whole.

This harsh Republican plan will mean tougher times for families and especially for senior citizens.

Mr. Speaker, the people really do want change.

But, they do not want change that takes us back 30 years, when more than one out of every two senior citizens had no health care at all.

They do not want change that forces our seniors to choose between heat and health, that is no real choice. They want change that takes America forward. They want change that is better, not cheaper. The people want a real revolution. The conferees should keep that in mind.

If not, the President should veto the bill.

THE BALANCED BUDGET DEBATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, we hear a lot about numbers and figures and procedure and how things move through the House and the Senate and get ultimately signed into law or not signed into law; but I think it is important in this debate over a balanced budget that we not lose sight of our real objectives. The question before the American people, and the American people are going to have to answer this question: Do you want more taxes and a larger government or do you want a smaller government and less taxes?

It is hard for politicians to cut spending, whether those politicians are in the White House or in this Chamber or over in the Senate. Members of Congress and the White House have decided that if they do more things for people, if they spend more money on more programs, if they take some pork-barrel projects, the propensity to get re-elected is greater.

□ 1945

And so that is the tradition that this body has been operating under for the last 40-plus years. In the process of not increasing taxes, we have developed a huge debt for this country, not only the existing debt of \$4.9 trillion that is overwhelming, but we have done more than that. We have now made so many promises that the unfunded liability for Medicare, for example, is another \$5 trillion. The unfunded liability or actuarial debt for social security is another \$3.2 trillion. The promises we have made and not funded for civil service retirees is another half a trillion dollars.

Now recently we have promised every private pension fund that the Federal Government will stand behind that pension fund and make it solvent.

Our goal of what we have called the debt limit coalition, 160 members that have sent a letter to the President, we have also written the Speaker, NEWT GINGRICH; we have written BOB DOLE; we say we think balancing the budget by 2002 or sooner is so important that we are not going to vote to increase the debt ceiling. I mean, that is to give us, some of ourselves, the intestinal fortitude. It is to put pressure on the White House to come to this conclusion.

The Federal Government last year borrowed approximately 41 percent of all of the money loaned out in the United States. Can you imagine what would happen to interest rates if the extra demand of Federal Government borrowing was not there? Can you imagine what the additional funds in the economy for people that want to